FROST & SULLIVAN

FORTINET RECEIVES THE 2023 COMPANY OF THE YEAR AWARD

Identified as best in class in the Indonesian network firewall industry

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Fortinet excels in many of the criteria in the network firewall space.

AWARD CRITERIA

Visionary Innovation & Performance	Customer Impact
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Cybersecurity Challenges in Indonesia

The number of cyberattacks reported in Indonesia has been steadily increasing over the years. In 2021, Indonesia's National Cyber and Crypto Agency (BSSN) registered over 1.6 billion cybersecurity traffic anomalies. Meanwhile, 2022 saw several high-profile cybersecurity incidents involving leading companies and top government agencies. In August 2022 alone, at least two data breach incidents were reported. The first incident involved a data breach at a state-owned utility company that saw the personal data of nearly 17 million customers being leaked online and available for sale on a hacking forum. In the second incident, a hacker claimed that it held nearly 26 million data entries that originally belonged to an Internet service provider owned by a state-owned telecommunications company.

> *"Fortinet's strategy of consistently churning out best-in-class practices has boosted the value of its security portfolio. The company developed FortiGate to meet the demand of networking and security from organizations of varying sizes and industry backgrounds, which has been a strong advantage for Fortinet in the market."*
>
> *- Daphne Dwiputriane*
> *Research Associate*

A culmination of several factors has made Indonesia the hotbed for cyberattacks, such as the lack of political will to enact stricter data privacy laws, lack of adequate cybersecurity expertise, and lack of cybersecurity budgets available for companies to improve their security posture. Companies in Indonesia are left on their own to figure out how to deal with the rising number of cyberattacks.

Addressing Unmet Needs

As organizations undergo their digital transformation journey, the incorporation of emerging technologies is expected, such as Internet of Things (IoT) and web-based applications, which will likely lead to entirely new and more sophisticated threat vectors. Additionally, some companies are employing a hybrid working model following the COVID-19 pandemic; therefore, organizations are under an increasing pressure to ensure consistent security across all network environments.

California-based cybersecurity company, Fortinet, has efficiently tackled these challenges through its next-generation network firewalls (NGFWs) that help companies protect themselves from advanced security threats. With its extensive efforts in Indonesia, Fortinet has cemented its position as a leading network firewall company in the country.

Frost & Sullivan commends Fortinet for continually anticipating vulnerabilities and threats that organizations might face during their digital transformation journey. Fortinet has a wide-ranging cybersecurity portfolio that includes FortiGate, FortiCNP, and FortiSASE, all designed to address organizations' security challenges. Many organizations are still maintaining on-premises infrastructure, and protecting this network infrastructure remains the highest priority. NGFWs, therefore, are the most important component in the overall cybersecurity strategy among Indonesian companies because they can secure networks, infrastructure, and the surging number of new applications and users' devices.

Fortinet designed its NGFW solution, FortiGate, to protect any network at any scale and deliver artificial intelligence/machine learning (AI/ML)-powered security services that can detect advanced cybersecurity threats faster, providing organizations with the ability to manage these cybersecurity threats while minimizing the possibility of business disruptions. Compared to competitors, Fortinet has been successful in the NGFW market because of the affordability of FortiGate, making the company a preferred network firewall vendor among companies of all sizes. Fortinet's competitors have different approaches in the market, and their solutions tend to be relatively more costly than FortiGate, leading them to be successful in specific industries, unlike Fortinet that has found success in major industries in Indonesia.

Visionary Scenarios through Mega Trends

Frost & Sullivan has identified the Mega Trends of connectivity, cloud, security, and ML as critical components in a digital transformation journey. Organizations realize that their legacy network architecture cannot accommodate hybrid or multi-cloud environments, and backhauling all their network traffic to the same data center is costly and inefficient. Additionally, multiple point solutions and a distributed workforce can result in inconsistent network performance.

Fortinet recognizes that solely implementing a network firewall is not a viable solution to alleviate this challenge. Organizations still need an enhanced security solution to maintain a secure hybrid or multi-cloud environment. With the ability to deploy on-premises and in the cloud, Fortinet has gained traction for its Fortinet Secure SD-WAN solution, which combines the capabilities of FortiGate and Secure SD-WAN under a single solution. The solution provides organizations with a secure and reliable networking experience that is aligned with the growing market need for secure SD-WAN. More companies in Indonesia are using Secure SD-WAN to protect their SD-WAN environment at their branches, resulting in the increased adoption of Secure SD-WAN appliances.

Fortinet is committed to meeting customers' evolving needs through the combination of its FortiGate and Secure SD-WAN solutions, thus enabling companies to provide their employees with consistent security when accessing networks, data centers, or multi-cloud environments, regardless of their physical locations.

Price/Performance Value

When many companies in Indonesia want to improve their security posture, cost is often a deciding factor. For example, many companies are looking for a well-equipped network firewall solution; however, the price tends to put them off.

> *"Fortinet designed its NGFW solution, FortiGate, to protect any network at any scale and deliver artificial intelligence/machine learning (AI/ML)-powered security services that can detect advanced cybersecurity threats faster, providing organizations with the ability to manage these cybersecurity threats while minimizing the possibility of business disruptions."*
>
> *- Daphne Dwiputriane*
> *Research Associate*

Fortinet knows that offering the best value is critical and thus developed a pricing strategy that offers a competitive cost while providing a best-of-breed network firewall solution.

Fortinet has been developing its own processors based on a custom application-specific integrated circuit (ASIC) chip, which differentiates the FortiGate solution in the market. Fortinet's ASIC chip enables processing efficiencies, high performance, and speed while lowering the cost of the network firewall solution and power consumption. In addition, the ASIC chip allows FortiGate to run multiple security applications with no degraded performance. With the novelty of the ASIC chip, FortiGate delivers a performance that is worth the price across essential security services.

Implementation of Best Practices

In 2022, Fortinet released several new FortiGate offerings, including the following:

- FortiGate 600F delivers a converged networking and security solution for campus edge deployments to support a hybrid workforce.

- FortiGate 3700F supports high-speed connections between data centers and multi-clouds to deliver an optimal user experience, regardless of where the applications are hosted.

- FortiGate 70F supports companies in transforming their WAN with SD-WAN for branch offices.

- FortiGate CNF provides companies with cloud-native support for Amazon Web Services (AWS) environments.

Fortinet's strategy of consistently churning out best-in-class practices has boosted the value of its security portfolio. The introduction of these new FortiGate offerings signifies Fortinet's commitment to provide security across physical locations and the cloud and allows the company to support hybrid IT environments. The company developed FortiGate to meet the demand of networking and security from organizations of varying sizes and industry backgrounds, which has been a strong advantage for Fortinet in the market.

Leadership Focus

To address the challenges in managing increasingly complex networks, Fortinet designed FortiGate to provide customers with single-pane management and visibility across the entire Fortinet Security Fabric. With Fortinet Security Fabric, Fortinet integrates an array of security solutions across the entire threat surface. The strength of Fortinet Security Fabric is complemented by Fortinet's Open Ecosystem, which interconnects security solutions from multiple vendors with the Security Fabric, allowing each security solution to be managed under a single ecosystem.

Building on its reputation in Indonesia, the company has organized a FortiXpert Club event, which is the first of its kind in Association of Southeast Asian Nations (ASEAN), to forge a stronger bond between Fortinet and its customers in the country. In addition, the company has organized several other events in Indonesia, such as Accelerate Indonesia 2022 and a roadshow that had Fortinet travelling across 4 cities in Indonesia. These events have helped Fortinet solidify its leadership position in the country by providing the opportunity to drive greater engagements with local partners and thus penetrate the local community, allowing the company to win important projects in Indonesia.

Financial Performance

Despite the economic uncertainties in Indonesia, Fortinet recorded an estimated year-over-year (YoY) growth of 21% from 2021 to 2022, allowing it to become the largest network firewall vendor in the Indonesian market. Frost & Sullivan notes that Fortinet's success in Indonesia is driven by its extensive efforts in pushing for the increased adoption of its FortiGate solutions while capitalizing on the reputation of its Fortinet Security Fabric.

Conclusion

Despite the economic uncertainties in Indonesia, Fortinet has cemented its leadership position in the country based on its strong market leadership that is attributed to its continuous investment in customer engagements. In addition, Fortinet provides a secure and reliable user experience through its innovative network firewall offering, which is integral in today's working environment. Fortinet's ability to develop solutions that can meet demand from organizations of varying sizes has allowed it to remain as a company of choice among organizations in the country.

With its strong overall performance, Fortinet earns Frost & Sullivan's 2023 Indonesian Company of the Year Award in the network firewall industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)